

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF
CASTROVILLE COMMUNITY SERVICES DISTRICT
June 21, 2016

President Ron Stefani called the meeting to order at 4:31 p.m.

ROLL CALL:

Directors Present: President Ron Stefani, Vice President Silvestre Montejano, Director Adriana Melgoza and Director Betty MacMillan

Absent:

General Manager: Eric Tynan

Secretary to the Board: Lidia Santos

Staff Present: None

Guest: Lloyd Lowrey, Judy Burditt, Grant T. Leonard and Sally Childs was accompanied by a few students

PLEDGE OF ALLEGIANCE

Vice President Silvestre Montejano led the Pledge of Allegiance.

PUBLIC COMMENTS

1. None

CONSENT CALENDAR

1. A motion was made by Betty MacMillan and seconded by Silvestre Montejano to approve the minutes of the May 17, 2016 Scheduled Board Meeting. The motion carried by the following vote:

AYES:	4	Directors:	Stefani, Montejano, Melgoza and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	0	Directors:	

Consent Calendar accepted as presented

CORRESPONDENCE:

1. Memorandum from Kate McKenna, AICP, Executive Office of LAFCO regarding the Election of LAFCO Commissioners-Final Results.
2. Letter of resignation received from Castroville CSD Board of Director David Lewis on June 6, 2016
3. Notice from Judy Burditt, General Manager, North County Recreation and Park District (NCRPD) to Castroville CSD for funding "Recreation and Park Services" provided by NCRPD for fiscal year 2016/2017.

Correspondence Calendar accepted as presented

INFORMATIONAL ITEMS:

1. Press Release: California American Water, Settlement reached on desal plan return water
2. *Monterey Herald* – Final Cal Am desal project return water pact submitted to CPUC
3. *Capital News & Updates* – Legislative Update from Sacramento: Water Data & Wells, AB 1755 & SB 1317
4. *Monterey Herald* – Bid to reinstate Salinas River water permit advisory committee stalls
5. *The Californian* – Sustainable groundwater agency sought

Informational items accepted as presented

PRESENTATIONS:

1. None

UNFINISHED BUSINESS:

1. Update on levels for Well #2, #3 and #4 – General Manager Eric Tynan informed the Board on the current well levels as of June 1, 2016 were as follows: Well #2 is currently at -14 feet below sea level and on May 1, 2016 it was -7.78 feet below sea level. Well #3 is at -52.7 feet below sea level and on May 1, 2016 it was -34.6 feet below sea level, and Well #4 is at -76.4 feet below sea level and on May 1, 2016 it was -57.5 feet below sea level. A graph of the well trends for the months February 2015 through June 2016 can be viewed on page 23 of the board packet. Well #5 will also be included on this graph once the transducer arrives and is installed. The well levels continue to drop and in his opinion, it is due to the farmers irrigating once again.
2. Update on Castroville CSD's conservation measures put in place for District customers both residential and commercial – General Manager Eric Tynan reported to the Board that conservations efforts 2013 vs. 2016 graph can be viewed on page 24 of the board packet. There is a drop in water usage from 2013 versus 2016. For the month of May 2013 water usage was 26.8 million gallons and May 2016 it is 23.0 million gallons. Customers continue to do their part to conserve water.
3. Update on the local groundwater sustainability agency (GSA) and representation – General Manager Eric Tynan reported to the Board that he and Board President Stefani have been attending the scheduled Collaborative Work Group Meetings. Many of those who are attending are voicing their concerns. It appears the GSA is starting to get constructive movement. Per Board President Ron Stefani, in his opinion Castroville CSD has a good chance of being a member of the GSA. Agriculture companies also want to acquire many of the seats. He will continue to update the Board on any further developments at the next regularly scheduled board meeting.
4. Update on tax measure for North County Recreation and Park District (NCRPD) – General Manager Eric Tynan informed the Board that NCRPD General Manager who was present had submitted a memorandum that highlights the progress to date from Armanasco Public Relations Inc (AMR)., the consultant hired to assist the NCRPD with program funding (tax measure). The memorandum can be viewed on pages 25-26 of the board packet. Ms. Burditt stated that NCRPD along with AMR met with Supervisor Phillips, former Supervisor Calcago and other community members to discuss laying out the foundation for their capital campaign. AMR determined that more time is needed to garner community support and therefore is recommending delaying the process of going out for a tax measure until next year. NCRPD President Grant T. Leonard was also present and stated they are working to build public support for the tax measure. General Manger Both Eric Tynan and President Ron Stefani agreed that it was great to see progress.
5. Update on the Return Water Purchase Agreement between California American Water Company (Cal AM) and Castroville Community Services District – General Manager Eric Tynan reported to the Board that they are waiting for the Public Utilities Commission (PUC) hearing and the time to run out for legal action to be taken against the District. Once this time has passed, then the agreement can be signed. District Legal Counsel Lloyd Lowrey affirmed what the General Manager reported to the Board.

NEW BUSINESS:

1. First Reading of Ordinance No.67, An Ordinance Amending Section 1, Section 2, Section 3, Section 4, Section 7, Section 8, and Section 9 of Amended Ordinance No. 61, to Establish a Rate Schedule for Sewer Service for Castroville Zone 2 Service Area (Rancho Moro Cojo, NMCHS and Monte Del Lago Mobile Home Park) by the Castroville Community Services District for Fiscal Years 2016/17 through 2020/21 – Board President Ron Stefani introduced and waived the First Reading of Ordinance No. 67, An Ordinance Amending Section 1, Section 2, Section 3, Section 4, Section 7, Section 8, and Section 9 of Amended Ordinance No. 61, to Establish a Rate Schedule for Sewer Service for Castroville Zone 2 Service Area (Rancho Moro Cojo, NMCHS and Monte Del Lago Mobile Home Park) by the Castroville Community Services District for Fiscal Years 2016/17 through 2020/21 by the Castroville Community Services District. The setting of the Second Reading of Ordinance No. 67 is scheduled for July 19, 2016.

Minutes of the Castroville Community Services District
June 21, 2016 Regular Board Meeting
Page 3

2. Property owner informational meeting regarding proposed sewer rate adjustments in Castroville Zone 2 service area for fiscal years 2016/17 through 2020/21 for the Rancho Moro Cojo sub-division, NMCHS and Monte Del Lago Mobile Home Park; Public Hearing Date scheduled for July 19, 2016 at 4:30 p.m. District board room – General Manager Eric Tynan asked if there was anyone present at the board meeting that had any questions or concerns regarding the proposed sewer rate increases for Zone 2 and the Public Date Scheduled for July 19, 2016 at 4:30 p.m. in the District board room. There was one resident from the Zone 2-Moro Cojo subdivision. General Manager Eric Tynan briefly went over the Cost of Service Analysis and Rate Analysis Study and the proposed sewer rate increases for this area. The study is available on line and can also be viewed at the District office. In addition, sewer rate increase notices were mailed out on June 1, 2016 in English and Spanish to property owners who would be affected by the proposed sewer rate increase.
3. Preliminary 2016-17 Operating Budgets & CIP for Water (Castroville Zone 1), Sewer and Governmental (Castroville Zone 1), Sewer and Governmental (Moro Cojo, NMCHS, & Monte Del Lago Mobile Home Park Zone 2) and Sewer (Moss Landing Zone 3) – General Manager Eric Tynan and the Board reviewed and discussed all budget items and the CIP for the different funds. However, the Budget & Personnel Committee: MacMillan and Montejano had met on June 14, 2016 and reported to the Board the budget item of recreational expense, account #7850 for \$140,000 allocated to North County Recreation and Park District (NCRPD) to provide extended recreational services concerned the committee. General Manager Eric Tynan reminded the Board that they had approved an Amended and Restated Memorandum of Understanding between NCRPD and Castroville CSD, "Support for NCRPD to Obtain Program Funding" for a total of \$72,000 of which \$50,000 remains and this amount is included in this budget item. Of the \$140,000 allocated it would leave \$90,000 for extended recreational services pending Board approval. Funding for extended recreational services comes from ad valorem property taxes, which can be used for any services the District provides or from the Zone 1 Governmental Fund, which has a fund balance of \$398,839 as of April 31, 2016. NCRPD General Manager Judy Burditt submitted her request for fiscal year 2016/17 for extended recreational services and is asking for \$111,249 on top of the \$50,000 allocated for support for NCRPD to obtain program funding (tax measure). The Budget & Personnel Committee reported to the Board that the concern they had is that the request for extended recreational services of \$111,249 mostly (85%) goes to staff wages and the remainder (15%) goes to maintenance equipment and supplies. Director Melgoza stated that volunteers can assist with the programs; instead of having these funds allocated for staff wages. NCRPD General Manager stated that programs require paid, qualified and reliable staff to run the programs and to supervise the children. They do also have plenty of volunteers but many times volunteers are not reliable on a steady basis. President Ron Stefani stated that he fully supports the NCRPD providing extended recreational services and General Manager Judy Burditt has done a lot for this community. Castroville kids have a place to go and are held accountable. There are rarely any gang shootings in this town and he believes the NCRPD is significant in keeping kids out of trouble. Director MacMillan stated that other than the annual budget request that she submitted, this Board would like to see all other sources of income and expenses the NCRPD has annually before they make a final decision. Directors Melgoza and Montejano concurred with Director MacMillan's request from the NCRPD. After much discussion, the Budget & Personnel Committee will meet again on June 28, 2016 at 4:30 p.m., District Board room and have NCRPD General Manager Judy Burditt report to the committee the additional information requested. Final adoption of the FY 2016/2017 Budget will not be made until the July 19, 2016 regularly scheduled board meeting.
4. Accept letter of resignation from Castroville CSD Board of Director David Lewis; effective as of June 6, 2016 and proceed with the process to appoint a new Castroville CSD Board of Director for the vacant position– General Manager Eric Tynan notified the Board that Director David Lewis had submitted a letter of resignation, effective as of June 5, 2016 and is no longer a Directors since he has moved out of the area. The District has one vacant seat and the Board may fill the seat by appointment at the next regularly scheduled board meeting, July 19, 2016. A notice will be posted at the District office, Post Office, Library and Fire Department as well as the District website www.CastrovilleCSD.org. A motion is made by Betty MacMillan and seconded by Adriana Melgoza to accept the letter of resignation from David Lewis and to proceed with the requirements necessary to appoint a new board member at the July 19, 2016 board meeting. The motion carried by the following vote:

Minutes of the Castroville Community Services District
June 21, 2016 Regular Board Meeting
Page 4

AYES: 4 Directors: Stefani, Montejano, Melgoza and MacMillan
NOES: 0 Directors: None
ABSENT/NOT
PARTICIPATING: 0 Directors:

5. Appoint Alternate Representative to the Monterey Regional Pollution Control Agency (MRWPCA) Board of Directors – General Manager Eric Tynan informed the Board that former Director David Lewis was the appointed alternate representative to MRWPCA Board of Directors seat. Castroville CSD will need to appoint a new alternate representative. President Ron Stefani continues to be the Castroville CSD's primary representative. After some discussion, a motion is made by Betty MacMillan and seconded by Adriana Melgoza to appoint General Manager Eric Tynan as the Alternate Representative to the MRWPCA Board of Directors. The motion carried by the following vote:

AYES: 4 Directors: Stefani, Montejano, Melgoza and MacMillan
NOES: 0 Directors: None
ABSENT/NOT
PARTICIPATING: 0 Directors:

6. Accept Willdan Financial Services annual 2016-17 Pre-Levy Analysis for the 1915 Act Assessment District – After the Board reviewed the annual 2016/17 Pre-Levy Analysis for the 1915 Assessment District that is prepared annually by Willdan Financial Services (can be viewed on pages 64-71 of the board packet), a motion is made by Adriana Melgoza and seconded by Silvestre Montejano to accept the Willdan Financial Services annual 2016/17 Pre-Levy Analysis for the 1915 Act Assessment District. The motion carried by the following vote:

AYES: 4 Directors: Stefani, Montejano, Melgoza and MacMillan
NOES: 0 Directors: None
ABSENT/NOT
PARTICIPATING: 0 Directors:

7. Resolution No. 16-6, Declaring a Level 1 Water Supply Shortage (11% Reduction) Effective until January 2017 – General Manager Eric Tynan reported to the Board that the State Water Board announced the following information on water conservation efforts. Recognizing persistent yet less severe drought conditions throughout California, on May 18, 2016, the State Water Board adopted an emergency water conservation regulation that replaces the February 2 emergency regulation. The May 2016 regulation that will be in effect from June 2016 through January 2017 requires locally developed conservation standards based upon each agency's specific circumstances. He recommended the Board approve Resolution No. 16-1 Declaring a Level 1 Supply shortage (11% Reduction). The Level 1 permits watering landscape three days a week, whereas as Resolution No. 15-1 Declaring a Level 2 Water Supply Shortage (25% Reduction) only permits watering two days a week and had stricter conservation measures. Upon approval of this Resolution No. 16-6 the designated days for all customers would be Tuesday, Thursday and Saturday. It also permits washing your vehicles but with a hand-held bucket or a hose with a shut-off nozzle. Leaks would also need to be repaired in 72 hours instead of 48 hours. Furthermore, many water agencies have eased up on their water conservation measures as well. Director Adriana Melgoza stated Castroville CSD should still continue to conserve water at a Level 2 and is not in favor of approving Resolution No. 16-6 that reduces it to a Level 1. Based on the recommendation of the General Manager, a motion is made by Betty MacMillan and seconded by Silvestre Montejano to approve Resolution No. 16-6, Declaring a Level 1 Water Supply Shortage (11% Reduction) Effective until January 2017. The motion carried by the following vote:

AYES: 3 Directors: Stefani, Montejano and MacMillan
NOES: 1 Directors: Melgoza
ABSENT/NOT
PARTICIPATING: 0 Directors: None

8. Message on June 2016 water bills that Castroville CSD 2015 Annual Water Quality Report is now available and posted on the District's website: www.Castrovillecsd.org/files/115791577.pdf - Eric Tynan, General Manager informed the Board that customers have been notified that the "2015 Annual Water Quality Report" is available and posted on the District's website. It has also been submitted and accepted by the State Water Resources Control Board.

9. Castroville Zone 1 upgrading to more efficient LED streetlights – General Manager Eric Tynan reported to the Board that all the street lights in Castroville Zone1 have been changed out to efficient LED lights by PG & E. Benefits of LED streetlights: energy efficiency, cost savings, reliability, improved safety and reduced carbon footprint.
10. California Special Districts Association 2016 Board Elections to elect (one) a representative to the CSDA Board of Directors, Network for Seat B – The Board reviewed the CSDA Board candidates' information sheet and asked which candidate did General Manager Eric Tynan recommend. Based on the General Manger's recommendation, a motion is made by Betty MacMillan and seconded by Silvestre Montejano to vote for Jeff Hodge, Santa Ynez CSD to the CSDA Board of Directors. The motion carried by the following vote:

AYES:	4	Directors:	Stefani, Montejano, Melgoza and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	0	Directors:	

11. The Board will take action to designate Eric Tynan, General Manager as labor negotiator for all employees for the District for purpose of (Gov. Code Sec. 54957.6) - After some discussion, a motion is made by Betty MacMillan and seconded by Adriana Melgoza for the Board to take action to designate General Manager Eric Tynan as labor negotiator for all employees for the District for purpose of (Gove. Code Sec. 54957.6). The motion carried by the following vote:

AYES:	4	Directors:	Stefani, Montejano, Melgoza and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	0	Directors:	

The Board skipped down to the next item on the agenda and went through the rest of the agenda and then returned to the Closed Session.

ADJOURNMENT TO CLOSED SESSION

CLOSED SESSION: 5:55 p.m.

12. Pursuant to Government Code Section. 54957, the Board will discuss the following: Personnel Matters for all Water Service/Collection Systems Maintenance Worker I and II, Customer Service Representative, Office Manager/Executive Assistant/Board Secretary and the General Manager.

ANNOUNCEMENT OF CLOSED SESSION ITEM: (if applicable):

The board will reconvene into open session prior to adjournment and shall announce any action taken during the closed session. **The Board returned to open session at 6:12 p.m.** There was no action taken.

NEW BUSINESS CONTINUED:

13. Recommendation of Budget & Personnel Committee (Directors: Betty MacMillan and Silvestre Montejano) regarding the salary of all District staff: Water Service/Collection Systems Maintenance Worker I and II, Customer Service Representative, Office Manager/Executive Assistant/Board Secretary and the General Manager – Since the Budget & Personnel Committee plan to meet again, a motion was made by Silvestre Montejano and seconded by Betty MacMillan to table this item until the next regularly scheduled meeting. The motion carried by the following vote:

AYES:	4	Directors:	Stefani, Montejano, Melgoza and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	0	Directors:	

BOARD OF DIRECTORS COMMUNICATION: When needed, this time is reserved for the Board of Directors to communicate activity, educational classes, and/or Committee reports.

1. Update on MRWPCA board meeting – President Ron Stefani reported that MRWPCA is also setting their budgets for fiscal year 2016/17 and bargaining with their employees. MRWPCA may be underfunded in the near future and for this reason will be looking at rate increases.
2. Update on meetings/educational classes attended by the Directors – None to report at this time. However, some of the Board showed interest in attending the CSDA Annual Conference and Exhibitor Showcase scheduled for October 10-13 in San Diego, Californian and requested to place it on the agenda next month for Board approval.

GENERAL OPERATIONS

1. General Manager's Report – Compliance update, current projects update, meetings/seminars update, staff update, suggestive projects discussions
2. Operation's Report
 - a) Water – Pumpage & Usage Update, Water Testing Update, Current Installation
 - b) Water -Status Update, Current Contractor Work Update, Maintenance/Repair Update, Customer Service Update, Safety Issues
 - c) Sewer & Storm Drain – Jetting, Current Installation Status Update, Current Contractor Work Update, Maintenance/Repair Update, Customer Service Update, Safety Issues
3. Customer /Billing Reports – Water Sales, Water Usage, A/R Update, Customer Service Update
4. Financial Reports – Treasures L.A.I.F. Report, Internal Report, Administration Update

General Operations Reports were accepted as presented

CHECK LIST – May 2016. A motion was made by Betty MacMillan and seconded by Silvestre Montejano to pay all bills presented. The motion carried by the following vote:

AYES:	4	Directors:	Stefani, Montejano, Melgoza and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	0	Directors:	

CLOSE:

There being no further business, a motion was made by Betty MacMillan and seconded by Adriana Melgoza to adjourn to the next scheduled Board meeting; the motion carried by the following vote:

AYES:	4	Directors:	Stefani, Montejano, Melgoza and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	0	Directors:	

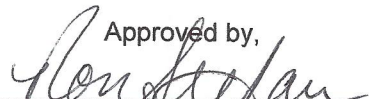
The meeting adjourned at 6:13 p.m. until the next scheduled meeting

Respectfully submitted by,



Lidia Santos
Secretary to the Board

Approved by,


Ron Stefani
President